

# ***National Credit Union Administration***



## ***Operating Fund***

***Audited Financial Highlights  
December 31, 2012***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

\*\*\*Audited\*\*\*

## FINANCIAL HIGHLIGHTS AS OF DECEMBER 31, 2012

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### Balance Sheets

Cash and cash equivalents had a year-end balance of approximately \$36.5 million. Its balance decreased \$10.7 million in the month primarily for the payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

### Statements of Revenues, Expenses, and Changes in Fund Balance

Net loss for the month was \$1,710,000 and net loss year to date was \$521,000. Interest income on overnight investments has averaged 0.13% during the year, versus 0.05% during last year.

### Statements of Cash Flow

The cash position decreased \$10.7 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$769,000 was invested in new capital assets and \$112,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$14.4 million on the balance sheet.

### Budget (Year-to-Date)

Agency spending was under budget, as adjusted at mid-session, by \$7.2 million or 3.1 percent. Of the total variance, employee pay and benefits was over budget by \$0.7 million or 0.4%, travel was under budget by \$2.1 million or 7.7%, and the remaining expense categories combined were under budget by \$5.8 million or 14.2%.

The average annualized travel spend per FTE was \$21,508 this year, which is \$200 less than last year.

### Vacancies

The Agency had 70 vacancies as of the end of the year. Of the 70 vacancies, 34 were in the central office and 36 were in the regions and AMAC. The 70 vacancies represent 5.5% percent of total authorized staff of 1,261.50.

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## BALANCE SHEETS

AS OF DECEMBER 31, 2012 AND DECEMBER 31, 2011

(Dollars in thousands)

\*\*\*Audited\*\*\*

	12/31/2012	11/30/2012	12/31/2011
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 36,521	\$ 47,235	\$ 36,982
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	2,040	176	1,182
EMPLOYEE ADVANCES	25	56	43
OTHER ACCOUNTS RECEIVABLE , Net	211	262	885
PREPAID EXPENSES AND OTHER ASSETS	1,055	1,551	1,015
ASSETS HELD FOR SALE	854	575	397
FIXED ASSETS — Net of accumulated depreciation of \$27,208 as of December 31, 2012	31,464	31,049	31,760
INTANGIBLE ASSETS — Net of accumulated amortization of \$10,772 as of December 31, 2012	<u>5,232</u>	<u>5,425</u>	<u>7,367</u>
<b>TOTAL</b>	<u>\$ 77,402</u>	<u>\$ 86,329</u>	<u>\$ 79,631</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 4,604	\$ 10,078	\$ 7,074
Obligations under capital leases	78	83	58
Accrued wages and benefits	10,178	11,880	9,295
Accrued annual leave	13,832	14,451	12,699
Accrued employee travel	695	-	628
Note payable to National Credit Union Share Insurance Fund	<u>14,415</u>	<u>14,527</u>	<u>15,756</u>
Total Liabilities	43,802	51,019	45,510
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>33,600</u>	<u>35,310</u>	<u>34,121</u>
<b>TOTAL</b>	<u>\$ 77,402</u>	<u>\$ 86,329</u>	<u>\$ 79,631</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011

(Dollars in thousands)

\*\*\*Audited\*\*\*

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 88,798	\$ 86,197	\$ 7,400	\$ 7,183
Interest	47	18	3	
Other	<u>1,280</u>	<u>1,200</u>	<u>(1)</u>	<u>232</u>
Total Revenues	90,125	87,415	7,402	7,415
EXPENSES, NET:				
Employee wages and benefits, net	66,509	62,194	5,256	4,800
Travel	9,946	9,809	1,034	985
Rent, communications, and utilities	1,949	1,936	248	218
Contracted services	7,123	6,326	1,908	1,444
Depreciation and amortization	6,289	4,695	546	324
Administrative	<u>(1,170)</u>	<u>1,242</u>	<u>120</u>	<u>169</u>
Total Expenses	<u>90,646</u>	<u>86,202</u>	<u>9,112</u>	<u>7,940</u>
EXCESS OF REVENUES (UNDER) / OVER EXPENSES	(521)	1,213	(1,710)	(525)
FUND BALANCE—Beginning of period	<u>34,121</u>	<u>32,908</u>	<u>35,310</u>	<u>34,646</u>
FUND BALANCE—End of period	<u>\$ 33,600</u>	<u>\$ 34,121</u>	<u>\$ 33,600</u>	<u>\$ 34,121</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011 (Dollars in thousands)

\*\*\*Audited\*\*\*

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ (521)	\$ 1,213	\$ (1,710)	\$ (525)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	6,289	4,695	546	324
Provision for loss on disposal of employee residences held for sale	186	305	28	70
(Gain) loss on fixed asset retirements	107	2	-	1
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	(858)	1,675	(1,864)	(1,182)
Employee advances	18	7	31	15
Other accounts receivable	674	(536)	51	(310)
Prepaid expenses and other assets	(40)	356	496	265
(Decrease) increase in liabilities:				
Accounts payable	(2,470)	2,031	(5,474)	(3,740)
Accrued wages and benefits	883	714	(1,702)	1,550
Accrued annual leave	1,133	1,298	(619)	(1,289)
Accrued employee travel	67	96	695	628
Net cash provided (used) by operating activities	<u>5,468</u>	<u>11,856</u>	<u>(9,522)</u>	<u>(4,193)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed and intangible assets	(3,950)	(6,146)	(769)	(1,322)
Proceeds from insurance on fixed assets	25	-	-	-
Purchases of employee residences held for sale	(1,301)	(1,197)	(306)	-
Proceeds from sale of employee residences held for sale	658	1,192	-	277
Net cash used in investing activities	<u>(4,568)</u>	<u>(6,151)</u>	<u>(1,075)</u>	<u>(1,045)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,341)	(1,341)	(112)	(112)
Principal payments under capital lease obligations	(20)	(27)	(5)	(55)
Net cash used in financing activities	<u>(1,361)</u>	<u>(1,368)</u>	<u>(117)</u>	<u>(167)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(461)	4,337	(10,714)	(5,405)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,982</u>	<u>32,645</u>	<u>47,235</u>	<u>42,387</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 36,521</u>	<u>\$ 36,982</u>	<u>\$ 36,521</u>	<u>\$ 36,982</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>				
Acquisition of equipment under capital lease	\$ 40	\$ 61	\$ -	\$ 26
Cash Payments for Interest	\$ 290	\$ 344	\$ 22	\$ 26

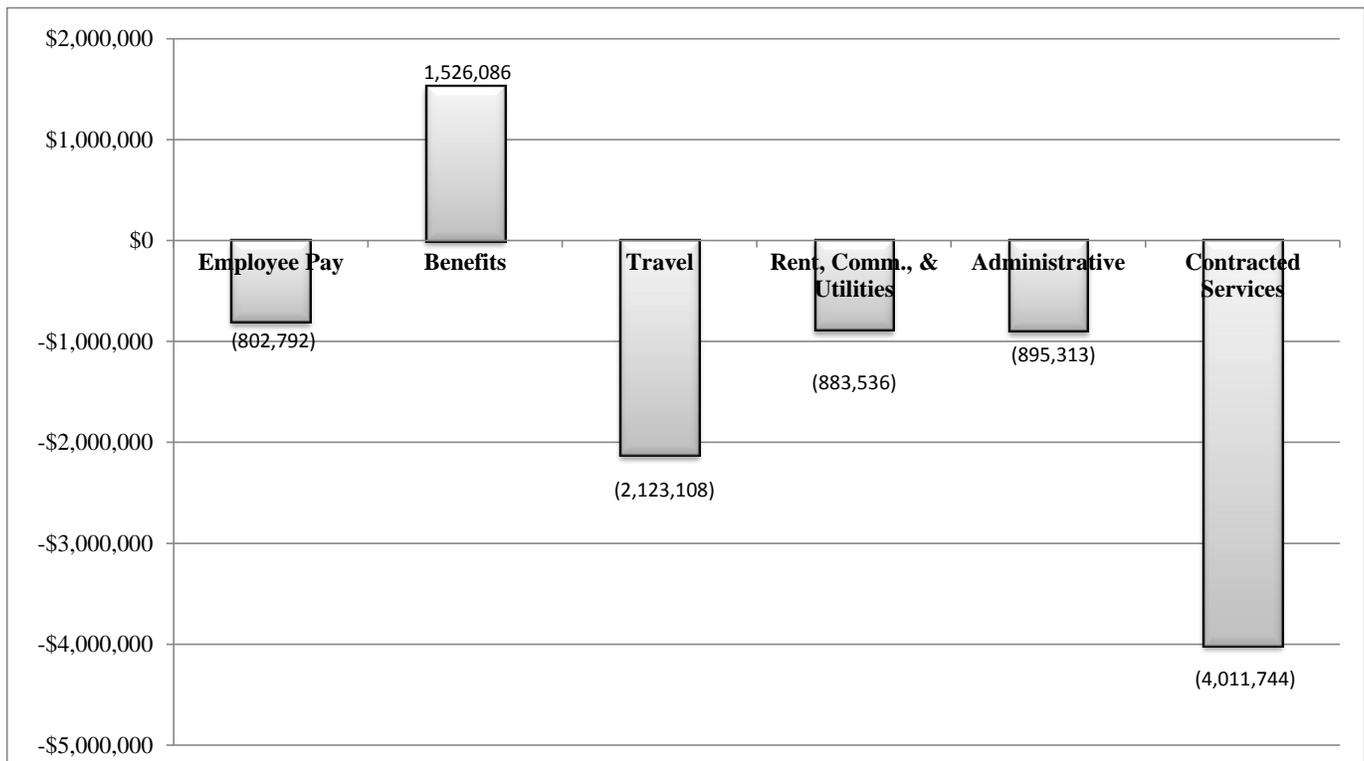
**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)  
AS OF DECEMBER 31, 2012 AND DECEMBER 31, 2011**

**\*\*\*Audited\*\*\***

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
<b>Employee Pay</b>	125,310,942	124,508,150	(802,792)	-0.6%	122,948,725	121,603,994	(1,344,731)	-1.1%
<b>Benefits</b>	41,829,071	43,355,157	1,526,086	3.6%	37,294,079	34,857,989	(2,436,090)	-6.5%
<b>Travel</b>	27,515,192	25,392,084	(2,123,108)	-7.7%	24,622,528	25,122,412	499,884	2.0%
<b>Rent, Comm., &amp; Utilities</b>	5,680,384	4,796,848	(883,536)	-15.6%	5,107,498	4,715,734	(391,764)	-7.7%
<b>Administrative</b>	13,484,192	12,588,879	(895,313)	-6.6%	13,757,886	14,452,494	694,608	5.0%
<b>Contracted Services</b>	21,544,056	17,532,312	(4,011,744)	-18.6%	19,664,124	15,433,702	(4,230,422)	-21.5%
<b>TOTAL</b>	<b>235,363,837</b>	<b>228,173,430</b>	<b>(7,190,407)</b>	<b>-3.1%</b>	<b>223,394,840</b>	<b>216,186,325</b>	<b>(7,208,515)</b>	<b>-3.2%</b>

**Amount Over (Under) Budget**

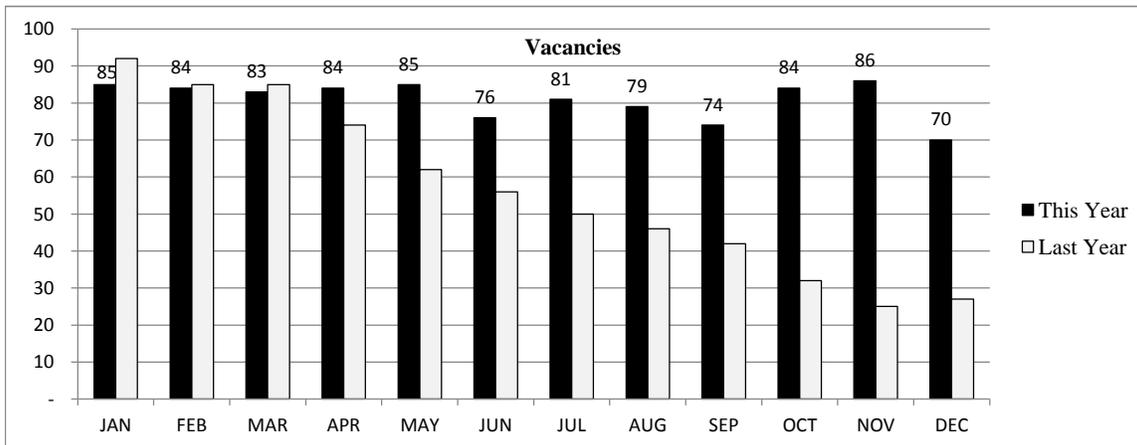
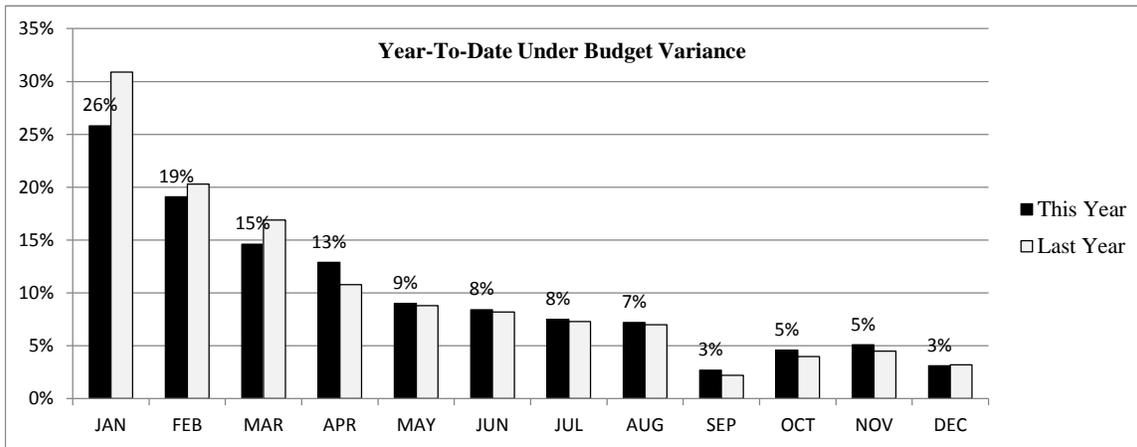
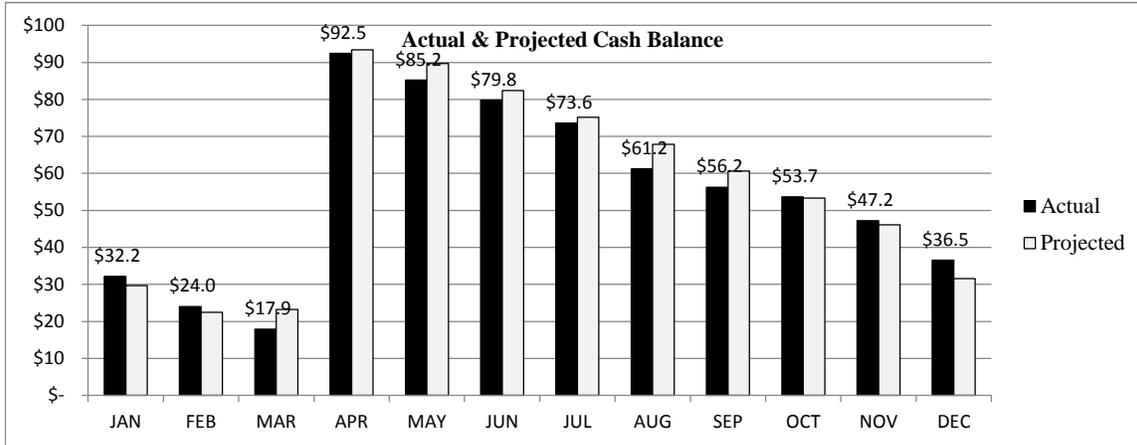


Budget amounts reflects mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS  
AS OF DECEMBER 31, 2012 AND DECEMBER 31, 2011**

**\*\*\* Audited \*\*\***



	12/31/2012	12/31/2011
Retained earnings / Total assets	43.41%	42.85%
YTD interest income to average investments (annualized)	0.13%	0.05%
Annualized travel spend per employee	\$21,508	\$21,708
Net year to date cash inflow (outflow) in millions of dollars	(\$0)	\$4
Cash and overnight investments / Total assets	47.18%	46.44%
Overhead transfer rate	59.30%	58.90%